Case Report

1. Case Number :	**0183-25**
2. Advertiser :	**Alcoa Australia**
3. Product :	**Energy/Resources**
4. Type of Advertisement/Media :	**Print**
5. Date of Decision:	**20-Aug-2025**
6. Decision:	**Dismissed**

ISSUES RAISED

AANA Environmental Code\1. Truthful & Factual
AANA Environmental Code\2. Evidence
AANA Environmental Code\3. Clear & Not Vague
AANA Environmental Code\4. Genuine Benefit
AANA Environmental Code\5. Future Claims

DESCRIPTION OF ADVERTISEMENT

This print advertisement in the West Australian newspaper on 7 June 2025 reads:
"Is our drinking water supply impacted? We're here with the facts.
It's a serious question.
That's why we're here with the facts.
Alcoa has operated in WA's Northern Jarrah Forest for more than half a century without negatively impacting Perth's public drinking water supply. We are confident that our operations in the Northern Jarrah Forest and the security of Perth's drinking water supply can continue to occur safely and successfully for many years to come.
Every part of our operations is subject to rigorous environmental assessments and stringent approvals to ensure Alcoa's ongoing compliance. We are confidence these safeguards, along with our robust internal standards and processes, are working.
We're committed to meeting all necessary water protection measures. Since July 2024, we've stopped clearing for mining activities within one kilometre of drinking water reservoirs to increase the distance between our Huntly and Willowdale operations and dams.
We have further enhanced our drainage and monitoring systems and are committed to catchment-wide risk management.
And to demonstrate our confidence that our operations will not impair drinking water supplies, we've provided a $100 million guarantee.
Our commitment is long term. Our record is strong – and we are confident that we can operate in a way that continues to help protect Perth's drinking water, now and into the future – and that's the fact. alcoa.com/australia"



THE COMPLAINT

Comments which the complainant/s made regarding this advertisement included the following:

Breaches of Environmental Claims Code in relation to statements about impact on drinking water of Perth

Our clients request that Ads Standards investigate whether statements made by the Alcoa of Australia Ltd (Alcoa) in an advertisement in the West Australian newspaper on 7 June 2025 (West advertisement) are potentially misleading, in breach of sections 1(a), 1(b), 2, 3(b), 4 and/or 5 of the Environmental Claims Code (Code). Please see the below complaint:
RE: Alcoa advertisement in West Australian about impacts on Perth's drinking water

We act on behalf of Conservation Council of WA (CCWA), The Wilderness Society (TWS) and WA Forest Alliance (WAFA).

CCWA is Western Australia's foremost non-profit, non-government conservation organisation representing close to 100 environmental organisations across Western Australia, with tens of thousands of engaged individuals state-wide. This broad collective of like-minded groups and individuals creates a vibrant and passionate community, dedicated to the conservation of our unique and diverse state.

The WA Forest Alliance is a non-profit, non-government umbrella organisation made up of more than 25 forest conservation groups in Perth/Boorloo and the South West, working together for the protection of WA's south-west forests and wildlife. WAFA's mission is to see WA's native forests fully and securely protected and managed to maintain and restore their ecological values, and to empower the next generation to successfully defend them against future threats.

The Wilderness Society is an independent, community-based, not-for-profit environmental advocacy organisation. Our vision is to transform Australia into a

society that protects, respects and connects with the natural world that sustains us. We are committed to protecting, promoting and restoring wilderness across the continent for the survival and ongoing evolution of life on Earth. From community activism to national campaigns, we seek to give nature a voice to support the life that supports us all. We are powered by more than 150,000 supporters from all walks of life.

Our clients request that Ads Standards investigate whether statements made by the Alcoa of Australia Ltd (Alcoa) in an advertisement in the West Australian newspaper on 7 June 2025 (West advertisement) are potentially misleading, in breach of sections 1(a), 1(b), 2, 3(b), 4 and/or 5 of the Environmental Claims Code (Code). The West advertisement is reproduced at Annexure A and promotes Alcoa's environmental credentials in relation to Alcoa's bauxite mining and its impacts on Perth's drinking water. The West advertisement states:

- *"Alcoa has operated in WA's Northern Jarrah Forest for more than half a century without negatively affecting Perth's public drinking water supply";*
- *"Since July 2024, we've stopped clearing for mining activities within one kilometre of drinking water reservoirs to increase the distance between Huntly and Willowdale operations and the dams"; and*
- *"Our commitment is long term. Our record is strong – and we are confident that we can operate in a way that continues to help protect Perth's drinking water, now and into the future – and that's the fact",*

(together, the Statements).
The Statements, alone or in combination, represent that:

- *Mining has occurred in the relevant area without any negative impact on Perth's drinking water quality (historical drinking water quality claim); and*
- *Mining will continue to operate in the area in a way that does not negatively impact on Perth's drinking water quality (future drinking water claim).*

Background to Alcoa bauxite mining

Alcoa is a US-owned mining company that has been operating in WA since 1961 under a State Agreement with the WA Government. Alcoa has already cleared over 28,000ha of forests in WA pursuant to that agreement. Alcoa undertakes extensive bauxite mining south of Perth, in the metropolitan Perth and Southwest drinking water catchments. Alcoa's current operations include mining in Serpentine, Serpentine Pipe, North Dandalup, Sampson and Stirling catchments.

Currently, Alcoa have lodged an application to clear a further 11,500ha across three regions of the Northern Jarrah Forest (NJF) over a 20 year period. The WA Government has provided Alcoa with an exemption under Section 6 of the Environmental Protection Act 1986 (WA), allowing Alcoa to continue clearing forests, despite the ongoing assessment.

Environmental Claims Code

The Code relevantly defines "Environment" to include "ecosystems and their constituent parts, including people and communities" and states that "an environmental claim in relation to goods or services…may include representations that state or imply…no effect on the environment." "Environment" therefore captures claims relating to the impact of mining activities on the drinking water of Perth.

Section 1 (a) and (b) of the Code relevantly require that Environmental Claims should be truthful and factual and not be misleading or deceptive or likely to mislead or deceive. The correlating Practice Note 1 provides that:

> *It is not intended that legal tests be applied to determine whether advertisements are misleading or deceptive, or likely to mislead or deceive, in the areas of concern in this Code.*
>
> *Instead, consideration will be given as to whether the Target consumer would likely be misled or deceived by the Advertising*
>
> *Care should be taken when making absolute claims that it can be substantiated as such.*

Section 2 of the Code requires that Environmental Claims in advertising must be supported by evidence. Practice Note 1 states in relation to section 2 that the advertiser "should have reasonable grounds for making an Environmental Claim, based on evidence held at the time the claim is made". It also states:

> *Scientific claims should be consistent with the body of evidence, not simply selective parts that can be used in a misleading way.*

Section 3(b) of the Code states that environmental claims must "be specific – broad, vague or unqualified claims should be avoided". Section 3(c) requires advertisements to "Include important limitations, conditions or qualifications in a way that is clear to the Target Consumer".

Section 4 of the Code states that environmental claims must be a genuine benefit to the environment and not overstate the environmental benefit.

Section 5 of the Code requires environmental claims about future objectives to be based on reasonable grounds at the time the claim is made.

For the reasons that follow, our client considers that Alcoa may have breached the above mentioned sections of the Code by making the Statements.

Potentially misleading claims

Claim 1 – Historical drinking water quality claim

Words likely to mislead or deceive – alleged breach of sections 1 and 3(b) of the Code

The West advertisement represents that Alcoa has operated its Bauxite mine in the region for over 50 years without any negative impact on the quality of the drinking water supply of Perth.

In 2018, changes to Alcoa's mining practices led to the mine coming within 300 metres of Serpentine Dam, leading to concerns that during heavy rain sediment including chemical pollutants and disease-causing pathogens could wash into the dam. [1] Since that time, mining has been occurring in hillier areas, involved digging of larger pits and leaving more land unrehabilitated, leading to increased risk of sediment runoff.

There were a record number of spills at the site including sediment flowing into the dam 46 times in 2021, with 137 spills with an average volume of 125L. [2] According to documents obtained under the Freedom of Information Act 1992 (WA) which were prepared by the Water Corporation, the relevant agency responsible for water quality, the "probability of contamination of reservoirs is considered certain" based on what Alcoa has reported. [3] Reports from Alcoa included:

- *38 draining failures per year between 2017-2022, with a maximum of 77 in 2021;*
- *28 turbidity events per year between 2018-2022 with increasing trend in 2022; and*
- *On average of 130 hydrocarbon spills per year between 2017-2022 (on average 16,900 litres/year). [4]*

The Water Corporation's assessment concluded there was a high likelihood of significant negative long-term impacts to water quality and catchment water yield arising from fundamental changes to hydrology and catchment resilience. [5] It also noted that due to the close proximity of the mining:

> *Bauxite mining operations represent the single most significant risk to water quality in Perth Metropolitan and Southwest drinking water catchments. The potential long term financial implications for the Water Corporation and by extension are considerable. [6]*

Documents obtained by our client under freedom of information processes from the Water Corporation (Water corporation documents) also outline the following hazardous spills on site in 2021/2022. [7]

Table 3. Alcoa's reported LOC of hazardous substances (2020/21)

	2020 - 2021		2021 - 2022	
Incident	No. of Spills	Volume (L)	No. of Spills	Volume (L)
Coolant	14	1,585	15	2,829
Hydrocarbon	150	16,499	90	8483
F3	1	240	13	2,777
PFAS	13	2,408		
Total	178	20,732	118	14,089

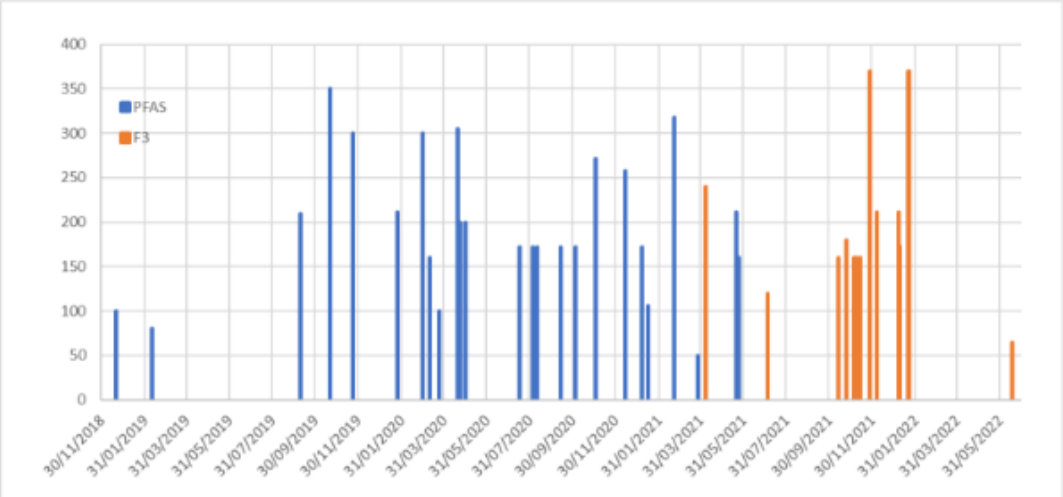
Prior to this time there was an even greater number of incidents over a longer period, as detailed below: [8]

Table 4. Reported LOC events – 2017 – 2021 (Huntley and Willowdale Mine sites combined)

	No. of Incidents	*Volume (L)*
2017	74	9,884
2018	111	17,209
2019	132	22,436
2020	184	19,631
2021	137	14,968
2022 (to July)	*77*	*9,605*
Total	***715***	***93,734***

The Water Corporation documents outlined issues with Alcoa's use of PFAS on the site since 2014, which was only removed from use at the site in 2021. PFAS use is a significant environmental issue due to its persistence, potential for bioaccumulation and long-term contamination of water sources, causing a growing concern for human health and the environment. [9]

Reported Volume (L) of PFAS Related Incidents (Huntly and Willowdale Mines sites combined)



The Water Corporation documents concluded that the risks to the Water Corporation assets from the mining included:

- *Increase in risk of pathogens;*
- *Increase turbidity from the mine put runoff and drainage failures;*
- *Changes to catchment hydrology resulting from clearing, revegetation and removal of the upper regolith (soil profile) as a result of mining;*
- *Risk of contamination from hydrocarbons and chemicals of emerging concern;*
- *Decline in water quality (various parameters) and impacts to catchment yield; and*
- *Changes to fire behaviour and catchment stability. [10]*

The Water Corporation also priced the treatment options for the dam, if contamination occurred, and concluded it could cost up to $1.31 billion to $2.62 billion, leading to a 55-100% increase in water costs to customers. The potential loss of a dam through contamination would significantly impact on around 250,000 customers. The Water Corporation made specific recommendations to reduce the risk of contamination, noting that previous mining operations have not been effectively regulated, primarily due to limitations associated with the outdated management framework associated with the relevant State agreement. [11] It concluded that its recommendations are considered essential to protect drinking water in accordance with the precautionary principle, and are the minimum conditions to provide a reasonable level of protection to drinking water until a more detailed assessment and research can be undertaken. [12]

Overstate environment benefit – alleged breach of section 4 of the Code

The conclusive way that Alcoa claims its record is strong and it has had no impact on Perth's water quality over the course of its operations, ignores the evidence of the contamination incidents in the catchment. As indicated above, the Water Corporation's view is that contamination because of these incidents was certain, and the mining is the most significant risk to water quality in the area.

In our clients' view, Alcoa has thereby overstated the environmental benefit of its mining operations and/or lack of impact on water quality.

No reasonable basis – alleged breach of sections 2 and 5 of the Code

The Catchment Risk Assessment undertaken by the Water Corporation provides substantial analysis to demonstrate that there are significant risks with Alcoa's current mining operations and the way it has operated in recent years. It acknowledges that the mine has not been appropriately regulated to manage water quality and therefore poses a significant risk to assets. Given the circumstances, it is difficult to understand how Alcoa can substantiate its claims that its current operations have no adverse impact on water quality.

Claim 2 – Future drinking water quality claim

Words likely to mislead or deceive – alleged breach of sections 1 and 3(b) of the Code and overstates environmental benefit – alleged breach of section 4 of the Code

Alcoa claims "Our commitment is long term. Our record is strong- and we are confident that we can operate in a way that continues to help protect Perth's drinking water". Alcoa bases this claim both on its record to date and on the recent changes made to its operations including the buffer between the mining areas and dams in the catchment. We have discussed in detail above the reasons why Alcoa's record to date may be misleading in claiming that it does not negatively impact on water in the catchment.

The Water Corporation analysis shows that future mining continues to pose further risks to the catchment. Future mining will occur on hillier areas, with more exposed areas on the site that will not be immediately rehabilitated. While stronger conditions have been proposed in respect of the new mining areas, there are still significant risks associated with the ongoing mining in the catchment. Despite this, there are no disclaimers or limitations on the statements made by Alcoa which, in our clients' view, may thereby tend to mislead given Alcoa's record to date of spills, drainage failures and turbidity events.

No reasonable basis– alleged breach of sections 2 and 5 of the Code

Given that the Water Corporation report suggests there are significant risks associated with Alcoa's current operations, it is unclear what evidence Alcoa is relying on in respect of its arguments that it will be able to protect the water catchment from future mining and pollution impacts. If it is unable to show a significant change to its overall operations, spills, drainage incidents and turbidity events will continue to occur and pose a significant risk to the catchment. The proposed one-kilometre buffer will not make any difference when operations occur in hilly and exposed areas that are not rehabilitated.

These future risks to Perth's water supply are confirmed by a Water Corporation briefing note. Its states that future risk to the Water Corporation can only be reduced to acceptable levels by adoption of certain Water Corporation and Department of Water and Environmental Regulation recommendations to improve the robustness and transparency of the mine planning approval consultative process. [13] The risks are considerable given the new area of proposed mining is entirely in the Serpentine River catchment which runs into the Serpentine Dam, Perth's most important water supply dam.

Even Alcoa's own consultants GHD acknowledge significant risks to water associated with the construction, mine development and rehabilitation, mine facilities and infrastructure and potential hazards from the proposal including:
Generation and discharge of pathogenic microorganisms from increased human activity;

- *Increases in sediment, suspended solids and turbidity from erosion during mining activities;*
- *Increase in stream salinity because of mining-induced saline groundwater discharge; and*
- *Contamination from spills, leaks and/or emissions from the storage, handling and use of hazardous materials and waste. [14]*

GHD do propose several preventative risk management measures to prevent hazards and reduce them to acceptable levels. The report further identified long term hazards including relating to rehabilitation and climate change, including from wildfires in generating sediment, solids and organic matter, mine rehabilitation failures and remobilisation of sediments which are more difficult to manage and could still lead to unacceptable risks. [15]

[1] See, for example, Brad Thompson, "WA warns Alcoa over threat to drinking water" (9 February 2023) https://www.afr.com/companies/mining/wa-warns-alcoa-over-threat-to-drinking-water-20230209-p5cjd3
[2] Peter Milne, "Alcoa mining threatens Perth's drinking water" WA Today, 8 February 2023
[3] 'Catchment Risk Assessment Alcoa 2023 – 2027: Procedural assessment under MS 728 informing the environmental audit of Alcoa's 2023 – 2027 MMP'

https://www.smh.com.au/interactive/hub/media/tearout-excerpt/30655/FOI-869---Document-8---Catchment-Risk-Assessment-Framework---Alcoa-2023---2027-MMP.pdf, p 7.

[4] Ibid, p 7.

[5] Ibid.

[6] Ibid, p 8.

[7] FOI document no 48 obtained by The Wilderness Society, p 5 (Annexure B).

[8] https://www.smh.com.au/interactive/hub/media/tearout-excerpt/30655/FOI-869---Document-8---Catchment-Risk-Assessment-Framework---Alcoa-2023---2027-MMP.pdf, FOI document no 48 obtained by The Wilderness Society, p 5. (Annexure B).

[9] FOI document no 48 obtained by The Wilderness Society, p 7 (Annexure B).

[10] FOI Document, no 49 obtained by The Wilderness Society, Water Corporation Briefing dated 16 September 2022, p4.

[11] FOI Document, no 49 obtained by The Wilderness Society Water Corporation Briefing dated 16 September 2022, p4.

[12] 'Catchment Risk Assessment Alcoa 2023 – 2027: Procedural assessment under MS 728 informing the environmental audit of Alcoa's 2023 – 2027 MMP' https://www.smh.com.au/interactive/hub/media/tearout-excerpt/30655/FOI-869---Document-8---Catchment-Risk-Assessment-Framework---Alcoa-2023---2027-MMP.pdf, p 30.

[13] FOI Document, no 49 obtained by The Wilderness Society, Water Corporation Briefing dated 16 September 2022, p 5. Annexure C

[14] GHD Report, Drinking Water Risk Assessment for Alcoa, March 2025 found at B8.6 - GHD - Drinking Water Risk Assessment – Serpentine.PDF (accessed 1 July 2025) p i

[15] Ibid, p ii.

THE ADVERTISER'S RESPONSE

Comments which the advertiser made in response to the complainant/s regarding this advertisement include the following:

*The Water Complaint relates to a print placement published in the West Australian newspaper on 7 June 2025 (**Water Statement**), as part of Alcoa's "Here with the Facts" series (discussed further below). As discussed further below, this series has come to an end and Alcoa has no current plans to publish the Water Statement in the future.*

The focus of the Water Complaint by the EDO is on the following statements from the Water Statement:

- *"Alcoa has operated in WA's Northern Jarrah Forest for more than half a century without negatively impacting Perth's public drinking water supply."*
- *"Since July 2024, we've stopped clearing for mining activities within one kilometre of drinking water reservoirs to increase the distance between our Huntly and Willowdale operations and dams."*
- *"Our commitment is long term. Our record is strong – and we are confident that we can operate in a way that continues to help protect Perth's drinking water, now and into the future – and that's the fact."*

*(together, the **Statements**).*

*The EDO asserts that these Statements (alone or in combination) convey the following representations, which the EDO submits give rise to breaches of various sections of the AANA Environmental Claims Advertising Code (**AANA Environmental Code**):*

1. *"Mining has occurred in the relevant area without any negative impact on Perth's drinking water quality". The EDO refers to this as the "**historical drinking water claim**".*
2. *"Mining will continue to operate in the area in a way that does not negatively impact on Perth's drinking water quality". The EDO refers to this as the "**future drinking water claim**".*

For the reasons set out below, Alcoa strongly rejects that there has been any breach of the AANA Environmental Code.

*There is simply no evidence that Alcoa's operations have had any negative impact on Perth's drinking water supply. Perth's drinking water supply is under constant monitoring by the Department of Water and Environment Regulation (**DWER**) and by Water Corporation. This is a matter of public record: https://www.wa.gov.au/service/environment/monitoring-managing-and-improving-water-quality and https://www.watercorporation.com.au/about-us/our-performance/drinking-water-quality.*

Alcoa itself also carefully monitors its actions and impacts. If Alcoa had negatively impacted Perth's drinking water supply, the fact of such an impact would be well known. Presumably, this evidence would also have been cited in support of the Water Complaint. No such evidence has been cited, and it is Alcoa's reasonably held belief that no such evidence in fact exists.

In light of our lengthy history, and the knowledge and experienced developed during that time, Alcoa is perfectly entitled to be confident that it can continue to operate in this way and without a future negative impact to Perth's public drinking water supply.

To assist the Community Panel, in this response Alcoa has used the "historical drinking water claim / future drinking water claim" terminology adopted by the EDO in the Water Complaint.

This is for convenience only and does not mean that Alcoa accepts that the claims as put by the EDO represent a fair reading of the Water Statement.

In the letter notifying Alcoa of the Water Complaint, Ad Standards identified the following sections of the AANA Environmental Code as being potentially relevant to the issues raised by the Water Complaint:

- *section 1(a) (truthful and factual) and (b) (not be likely to be misleading or deceptive to the Target Consumer);*
- *section 2 (supported by evidence);*
- *section 3(b) (be specific);*
- *section 4(a) (about a genuine benefit to the environment) and (b) (not overstate the environmental benefit); and*
- *section 5(a) (claims about future environmental objectives must be based on reasonable grounds at the time the claim is made).*

We address each of these sections in our response below.

Alcoa is aware of its obligations when making public statements and we take compliance with the AANA Environmental Code seriously. Alcoa's public statements, including the Water Statement, are subject to a comprehensive and rigorous review, verification and approval process. The Water Statement was no exception to this process.

Alcoa is strongly of the view that the Water Statement is fully compliant with that Code, as well as the AANA Code of Ethics, and all other relevant codes and laws, including the Australian Consumer Law (Schedule 2 to the Competition and Consumer Act 2010 (Cth)).

Based on the response set out below, Alcoa respectfully requests that the Water Complaint is dismissed.

1. *<u>Background to Alcoa</u>*

Alcoa is a global leader in bauxite, alumina and aluminium products, and has had operations in Australia since 1963. Guided by our Values – Act with Integrity, Operate with Excellence, Care for People, and Lead with Courage – our Purpose is to Turn Raw Potential into Real Progress.

Alcoa has a long history of operating in Australia, operating one of the world's largest integrated bauxite mining, alumina refining and aluminium smelting systems. Aluminium is a highly versatile metal that is essential for many everyday products, as well as a critical component for technologies necessary for the energy transition. In Western Australia, Alcoa's two bauxite mines (Huntly and Willowdale) and two operating alumina refineries (Pinjarra and Wagerup) produced approximately 50% of Australia's alumina in 2023, which is the primary feedstock for aluminium production. Alcoa transports a portion of this alumina to the Portland Aluminium Smelter in Victoria, where in 2023 it produced approximately 18% of Australia's aluminium.

Alcoa makes a significant and important contribution to the Australian economy and the communities in which it operates. Across its Australian operations, Alcoa employs approximately 4,600 people, with around 4,4,040 of its employees located in Western Australia. Approximately 2,290 of our Western Australian employees live in the Peel region and across the communities near to where we operate, delivering significant economic and social benefits across the region. In 2024, Alcoa paid about $931 million in Australian wages, salaries and associated benefits. In 2024, in Australia, our annual spend was more than $3.9 billion locally through wages, taxes, royalties, procurement and community investment.

We care about the environment and the communities near where we operate. Responsible production is embedded in our Alcoa values: protection and preservation are core values and drive our commitment to the highest standards of environmental performance. In Australia and around the world we are consistently recognised for our approach to sustainability. Among other things, our Australian business was the first mining company to receive recognition from the United Nations for rehabilitation excellence.

2. *Background to the "Here with the Facts" series and the Water Statement*

*The Water Statement formed a part of Alcoa's "Here with the Facts" series (the **Series**). The Series covered a number of topics relevant to Alcoa's operations in Western Australia. The Series is one of the ways we stay connected with our community, and provide stakeholders with transparent and accurate information about our operations, actions and commitments. The Series sought to address common community questions on aspects of Alcoa's operations, activities and commitments, as well as the regulatory environment in which we operate.*

In addition to the topic of drinking water supplies, the Series covered the following topics:

- *the possible rehabilitation of previously cleared regions of the Northern Jarrah Forest and Alcoa's commitment to rehabilitation;*
- *the return of fauna to rehabilitated Jarrah Forest; and*
- *creating shared value within the community.*

The Series consisted of the publication of statements in the West Australian newspaper (print and digital editions), certain regional papers, namely the Harvey Waroona Reporter, Serpentine Jarrahdale Examiner and Mandurah Coastal Times, on radio, as well as on Alcoa Australia's Facebook and Instagram pages and the Alcoa Australia website. The series launched on 24 May 2025 and concluded on 9 June 2025.

The Water Statement was published in the print and digital edition of the West Australian on 7 June 2025 and on Alcoa's Australian website. It was also published in the Serpentine Jarrahdale Examiner on 3 July 2025, the Mandurah Coastal Times on 16 July 2025, and the Harvey Waroona Reporter on 29 July 2025.

3. *<u>Background to Alcoa's mining operations and Perth's drinking water supplies</u>*

Alcoa has been engaged in mining activities in the vicinity of Perth's drinking water catchment areas in the Jarrah Forest region for more than 60 years.

Those mining activities can only occur within this region with relevant approvals, and even then, are subject to rigorous regulations and controls. Allowing mining activities in this area seeks to balance the importance of maintaining the supply of bauxite as a necessary part of the process for the manufacture of aluminium, an essential metal for many everyday applications, while safeguarding the quality and supply of drinking water for the Perth region.

Over the many years that Alcoa has engaged in mining activities in the region, we have sought to actively manage potential impacts on the quality of drinking water supplies through the application of the mitigation hierarchy – avoidance, minimisation, and rehabilitation.

Alcoa's knowledge and understanding of the potential impacts and the steps that we can take to avoid, minimise and address these impacts has continued to evolve over this period, as has the technology available to do so. Examples of Alcoa's actions applying the mitigation hierarchy include:

<u>Avoid</u>

- *No mining within 1km of any water reservoir; steep areas in reservoir protection zones; 100m of riparian vegetation along streams; the Serpentine Pipehead Catchment.*

- *No new ming pit clearing within 1km of any reservoir's maximum water level.*
- *No construction compounds, wastewater treatment plants, fuel farms or waste disposal within Reservoir Protection Zones.*

Minimise

- *Permit required for activities near reservoirs to limit human presence in Reservoir Protection Zones.*
- *Restrict hydrocarbon transport to 15,000L at Big Brook River crossing, with signage and a 30km/h speed limit in place.*
- *Use PFAS-free firefighting foams.*
- *Safe storage of hydrocarbons and chemicals.*
- *Turbidity is kept under specific levels in streams that flow to drinking water reservoirs.*
- *Design mine pits to remain at least 2 metres above the predicted groundwater table to protect groundwater quality and flow.*

Rehabilitation

Managing rehabilitation for inland waters includes:

- *A focus on restoring high-risk areas first, such as areas within Reservoir Protection Zones and steep slopes to prevent erosion and protect water quality.*
- *Shaping pit slopes and breaking up compacted ground to manage water runoff and reduce erosion.*

Alcoa also undertakes extensive water monitoring, particularly in the areas of the Huntly and Willowdale mines. Alcoa has installed over 60 monitors in waterways across these mine areas, measuring salinity and turbidity levels in surface water. Alcoa also monitors groundwater levels and quality through an extensive bore network.

In addition to our own monitoring, the Western Australian Government carries out its own monitoring program through the DWER, and by the Water Corporation. If the Western Australian Government's or Water Corporation's data was different from Alcoa's, it can be assumed that this fact would be public and action would have been taken.

Similarly, Alcoa's activities are under regular review and inspection by regulators. Regulators are, rightly, present to ensure that Alcoa is taking the correct steps to manage water risk.

Throughout the long period that Alcoa has undertaken bauxite mining operations in the Huntley and Willowdale regions, there is no evidence of any impact to the drinking water supply of Perth.

*A significant body of information on Alcoa's water monitoring and management practices has been recently published to support the Western Australian Environmental Protection Authority's (**WA EPA**) assessment of two current proposals to expand its operations in the Northern Jarrah Forest, being the:*

- *'Bauxite mining on the Darling Range in the southwest of WA for the years 2023 to 2027' proposal; and*
- *'Pinjarra Alumina Refinery Revised Proposal'.*

*(together, the **Current Alcoa Proposals**).*

4. *Response to Water Complaint*

It is important that the Water Statement is considered as a whole, and each Statement is considered in context. The Water Complaint adopts a 'cherry-picking' approach, and focuses on particular statements in isolation and without considering that statement in the context of the whole of the Water Statement. Alcoa's position, as explained further below, is that the Target Consumer would read the entire Water Statement and consider any particular statements in that context.

a) *Application of the AANA Environmental Code*

The AANA Environmental Code applies to "advertising" that involves an "Environmental Claim". "Advertising" is defined in the AANA Environmental Code. Relevantly, this definition excludes "statements on matters of public policy and the like".

The Current Alcoa Proposals are in the process of being assessed by both State and Commonwealth regulators, with the period for public comment to the WA EPA currently underway. As such, the Current Alcoa Proposals and the assessment being undertaken by the WA EPA in particular, has been the subject of commentary and reporting by the media and other third parties, particularly within Western Australia. This reporting and commentary has focused, among other things, on the impact of mining in the Northern Jarrah Forest on the supply of drinking water for Perth. As such, the protection and security of drinking water supplies, and the quality of that supply, is a matter of public policy within the Western Australian region. Alcoa submits that properly considered, the Water Statement is a statement by Alcoa on this important matter of public policy.

Further, Alcoa submits that the there is no relevant 'Environmental Claim' for the purposes of the AANA Environmental Code. The Panel should be cautious with the way this issue is approached in the Complaint. The Complaint appears to rely on a definition of "Environment" as including "ecosystems and their constituent parts, including people and communities".

In doing so, the EDO appear to assert that this definition appears in the AANA Environmental Code. In fact, it does not. It appears to have been taken from the Environment Protection and Biodiversity Conservation Act 1999 (Cth). There is no definition of 'environment' in the AANA Environmental Code and the Panel should apply an ordinary meaning to the term.

Both the historical drinking water claim and the future drinking water claim (to the extent that they are made) are claims in relation to drinking water supplied, or to be supplied, to Perth. The supply of drinking water to Perth is a significant undertaking involving significant manpower and significant infrastructure, including catchment, treatment and conduct of the water supply.

In contrast, to be an 'environmental claim' for the purposes of the AANA Environmental Code, the representations would need to be representations that Alcoa's operations have a neutral or positive impact on the environment, are less harmful for the environment than alternatives, or have specific environmental benefits. The Water Statement does not seek to press any such claims.

For these reasons, Alcoa submits that the AANA Environmental Code does not apply to the Water Statement, and the Water Complaint ought to be dismissed on this basis. However, should the Community Panel form a different view, we address each of the particular allegations below.

b) The Target Consumer

The AANA Environmental Code defines "Target Consumer" as meaning "the average and reasonable consumer of the target audience". The Water Complaint does not genuinely attempt to address the characteristics of the Target Consumer in this case.

As stated above, the Water Statement was published The West Australian newspaper (print and digital editions). The West Australian is WA's only daily newspaper. The majority of the readership can be taken to consist of residents of Western Australia, and those who, although not resident in Western Australia, have a particular interest in the region. This is clearly the target audience for the Water Statement. The regional papers in which the Rehabilitation Statement was published serve their local areas, and readership can similarly be taken to consist of readers in that region.

Mining is a significant contributor to the Western Australian economy and the source of significant direct and indirect employment within Western Australia. This means a high proportion of the target audience for the Water Statement would have at least some exposure, connection or interest, directly or indirectly, to the mining and resources sector. Accordingly, Alcoa considers that the Target Consumer of the Water Statement is likely to have at least the following characteristics:

a) *an understanding that mining is a key economic contributor to the Western Australian and Federal economies;*
b) *an understanding that mining is a heavily regulated industry and that mining operators are required to undertake their operations in accordance with various regulations and the terms of relevant approvals;*
c) *an understanding that the regulatory environment applicable to mining includes environmental regulations and obligations, including in relation to the management and monitoring of potential impacts on drinking water supplies;*
d) *the drinking water supplies are closely monitored, including by government agencies; and*
e) *water supplies that do not meet specified quality criteria would not be used to supply drinking water to communities, including the Perth area.*

In assessing what representations were conveyed to the Target Consumer by the Water Statement, it is necessary to have regard to the characteristics of the Target Consumer, including the knowledge and understanding of the Target Consumer, as outlined above.

c) *Historical drinking water quality claim*

The complaint correctly extracts and quotes the passage "has operated in WA's Northern Jarrah Forest for more than half a century without negatively affecting Perth's public drinking water supply" and that its "record is strong" from the Water Statement.

Alcoa considers that Water Statement, properly understood, is truthful and accurate, not misleading or deceptive and does not overstate the environmental benefit.

Fundamentally, despite ongoing monitoring by the DWER, Water Corporation, Alcoa, and potentially other stakeholders in the region, there is no evidence of Alcoa's operations negatively affecting Perth's drinking water supply.

This lack of any evidence, despite monitoring, is a sufficient basis for the statements the subject of the Water Complaint. It is telling that the maker of the Water Complaint is also not able to provide any such evidence.

*The Water Complaint appears to place great reliance on internal memorandums prepared by the Water Corporation, which formed Annexures B and C to the Water Complaint (**Water Corporation Memos**). The Water Corporation Memos should be treated with caution. They are not drafted as public documents, and the context in which they were prepared is absent. Annexure B is undated and appears to be the first version of an internal briefing note. Annexure C appears to part of a larger document. It is therefore not clear:*

- *why the documents were prepared;*
- *whether they represent a collective Water Corporation view on the matters in issue; or*
- *the extent to which they have been subject to internal review or analysis.*

The Water Corporation Memos also appear to be historical in nature: we infer from the data relied upon in Annexure B that it was drafted in around 2022, and Annexure C is dated 16 September 2022. The Water Corporation Memos should not be interpreted as evidence that Alcoa has had a negative impact on Perth's drinking water supply. If Water Corporation had such evidence, it should be inferred that that evidence would be made public in a clear and certain manner.

The Water Complaint also appears to assume that the Target Consumer would understand the statement that Alcoa has operated in the Northern Jarrah Forest "without negatively affecting Perth's public drinking water supply" as meaning that Alcoa's operations have not at any time had any impact, whether directly to water or otherwise, anywhere in the catchment area.

This is an unrealistic interpretation that is not reflective of how the Target Consumer would understand this statement, in the context of the Water Statement as a whole.

This interpretation goes far beyond the ordinary and natural words used in the Water Statement. The Target Consumer would understand that any number of land uses or events can have an impact on the catchment and water. These can be man-made, such as mining or agriculture and can also be natural, such as interactions between fauna and water supply. However, water supply, including all the preceding stages such as catchment and treatment, would be understood to be a different matter.

Further, the Water Statement expressly refers to every part of Alcoa's operations being "subject to rigorous environmental assessments and stringent approvals", as well as the existence of "safeguards", "standards and processes", "water protection measures", "drainage and monitoring systems" and "catchment-wide risk management". Accordingly, the Target Consumer, in addition to the Target Consumer's inherent knowledge, would understand from the Water Statement as a

whole that, while there is a risk of incidents in the catchment area, there are a range of risk management and mitigation measures in place and with which Alcoa must comply. These measures are directed to mitigating the potential impact of any incident, such that no impact to Perth's drinking water supply would occur, in the event an incident does occur.

Consistent with the unrealistic interpretation adopted in the Water Complaint, it appears to treat any reported incident (such as discrete drainage failures, turbidity events or spills, as referred to in [15] of the Water Complaint) as necessarily having a negative impact on the quality of Perth's public drinking water supply.

This is not the case. There is no evidence of any impact on the quality of Perth's public drinking water supply. If there had been such an impact, it is reasonable to infer that it would have been identified in the course of the testing that has been undertaken and there would be some documented evidence in this regard.

The Water Complaint seeks to focus on the number of reported incidents in isolation, without any other information in relation to the nature, location, duration, magnitude etc of each reported incident, but makes no reference to the key issue – impact of any incident on the quality of water supplied to Perth.

Thirdly, the Water Complaint erroneously conflates an identification of the risk or probability of potential impact to the quality of drinking water supplies as evidence that this risk has in fact eventuated.

The Water Complaint does not refer to any evidence that the quality of drinking water supplied to Perth has in fact been impacted by Alcoa's operations. That is because there is no evidence of such an impact.

Alcoa's position is that during the period of its operations, there have been no occasions where the supply of drinking water to Perth has been impacted due to water quality issues arising from our mining activities.

Words likely to mislead or deceive – alleged breach of sections 1 and 3(b) of the Code

For the reasons set out above, Alcoa submits that Water Statement is not misleading or deceptive, and uses clear language that is readily understood by the Target Consumer, and is not broad, vague or unqualified.

Alcoa also wishes to address and contextualise the reference to use of PFAS by Alcoa. The reference is put in a way that implies that an issue with PFAS has arisen by reason of PFAS as part of extraction activities. This is not correct.

Alcoa, like many businesses in the mining and other sectors, previously used fire-fighting equipment in its operations, which equipment was found to contain PFAS. A similar issue arose at certain Royal Australian Air Force bases.

The holding and use of fire-fighting equipment is essential for the protection of employees, assets, and of course the communities and environments in which we operate. Alcoa phased out its use of fire-fighting equipment containing PFAS as part of its operations in the Northern Jarrah Forest as quickly as practicable between 2020 and 2021, as awareness of the potential impacts of PFAS became more understood.

Alcoa does not exclusively control the catchment area and other activities occur within it, including those directly related to the supply of drinking water. It is possible that those activities may also have involved the use of PFAS-containing fire-fighting equipment.

The Water Complaint does not identify any evidence that the use of PFAS-containing fire-fighting equipment by Alcoa has in fact contaminated the water catchment, or that it has done so at a level to negatively impact the quality of Perth's drinking water supply.

Overstate environmental benefit – alleged breach of section 4

The Water Complaint alleges that the Water Statement "ignores the evidence of the contamination incidents in the catchment" and that because of this, Alcoa has "overstated the environmental benefit of its mining operations and/or lack of impact on water quality".

Of course, there is no statement that there is environmental benefit to Alcoa's operations. Alcoa's references to a lack of impact on water quality are supported by reference to the lack of any evidence, despite testing, to the contrary. The statement that Alcoa's "record is strong" is a reflection of Alcoa's long history of operating without negatively impacting Perth's drinking water supply.

No reasonable basis – alleged breach of sections 2 and 5 of the Code

The allegations in the Water Complaint relating to a lack of reasonable basis are based on the flawed premises set out above. As explained, the Target Consumer would not understand the Water Statement in the manner alleged by the EDO.

Alcoa is confident that it has a reasonable basis for each of the statements in the Water Statement, when properly read and understood in the context of the Water Statement as a whole.

d) Future drinking water quality claim

The allegations made in the Water Complaint in relation to the future drinking water claim are flawed and without basis, at least for the following reasons:

- *the statement "Our commitment is long term. Our record is strong – we are confident that we can operate in a way that continues to help protect Perth's drinking water" is a statement of Alcoa's intentions and beliefs, rather than a representation as to a future matter such as a forecast or prediction. As a statement of Alcoa's current intentions and beliefs, it is truthful and accurate.*
- *As set out above, the Water Statement expressly refers to Alcoa's operations being "subject to rigorous environmental assessments and stringent approvals", as well as the existence of "safeguards", "standards and processes", "water protection measures", "drainage and monitoring systems" and "catchment-wide risk management". These references clearly convey to the Target Consumer that risks exist, and that these risks need to be appropriately managed. Given these references, a disclaimer or limitation is unnecessary, contrary to [26] of the Water Complaint.*
- *Further, Alcoa has extensive risk management, monitoring and analysis systems, processes and safeguards in place to ensure the protection of the drinking water supply, including those set out earlier in this response that form part of Alcoa's risk mitigation hierarchy. This includes monthly turbidity monitoring and analysis, which is undertaken by an independent third-party. Monthly reports are published on Alcoa's website: https://www.alcoa.com/australia/en/sustainability/reports-publications#accordionSection-r1_c0-9. Further detail on relevant measures are set out in Alcoa's current Water Resources Management Plan (see https://www.epa.wa.gov.au/sites/default/files/PER_documentation2/C3%20-%20Water%20Resources%20Management%20Plan_Part1.pdf and https://www.epa.wa.gov.au/sites/default/files/PER_documentation2/C3%20-%20Water%20Resources%20Management%20Plan_Part2.pdf).*
- *Detailed assessments of the hydrological conditions in relevant areas, including within catchments for public drinking water reservoirs, have been undertaken to support the environmental impact assessment of the Current Alcoa Proposals. For example, see https://www.epa.wa.gov.au/sites/default/files/PER_documentation2/Appendix%2048%20-%20Baseline%20Inland%20Waters%20Assessment.pdf.*
- *Similar to the historical drinking water quality claim, the Water Complaint fails to distinguish between the identification of risks, and evidence of those*

risks in fact occurring. The Water Complaint relies upon the identification of risks to argue that Alcoa will not be able to protect the water catchment from future impacts from mining activities. However, in doing so the EDO ignores the various preventative risk management measures that Alcoa can and is undertaking to address these risks.

Accordingly, Alcoa submits that the allegations that the future drinking water quality claim contravenes sections 1, 2, 3(b), 4 and 5 of the Code should be dismissed.

5. *Compliance with AANA Code of Ethics*

While the notification of the Water Complaint did not raise any concerns under the AANA Code of Ethics, Alcoa also firmly believes that the advertisement fully complies with all sections of that Code. Compliance with Section 1 of the AANA Code of Ethics has been addressed through the responses provided above in relation to compliance with the AANA Environmental Code. Addressing each part of Section 2 of the AANA Code of Ethics separately:

- *Section 2.1 (Discrimination or vilification) – The Water Statement did not portray people or depict material in a way which discriminates against or vilifies a person or section of the community.*
- *Section 2.2 (Exploitative or degrading) – The Water Statement did not employ sexual appeal or exploitive or degrading material.*
- *Section 2.3 (Violence) – The Water Statement did not present or portray violence.*
- *Section 2.4 (Sex, sexuality and nudity) – The Water Statement did not present or portray sex, sexuality or nudity.*
- *Section 2.5 (Language) – The Water Statement did not use strong or obscene language.*
- *Section 2.6 (Health and safety) – The Water Statement did not encourage or condone unhealthy or unsafe behaviour.*
- *Section 2.7 (Clearly distinguishable advertising) – The Water Statement was clearly distinguishable as advertising.*

For completeness, the AANA Code for Advertising and Marketing Communications to Children, the AANA Food and Beverages Code Marketing and Communications Code and the AANA Wagering Advertising Code are not relevant to the Water Statement.

Conclusion

For the reasons set out above, Alcoa firmly believes that the Water Statement fully complies with the AANA Environmental Code, AANA Code of Ethics and all other relevant codes and laws, and respectfully submits that the complaint should be dismissed.

THE DECISION

The Ad Standards Community Panel (the Panel) considered whether this advertisement breaches the AANA Environmental Claims Code (the Environmental Code).

The Panel noted the complainant's concern that the advertisement contains misleading and unsubstantiated environmental claims.

The Panel viewed the advertisement and noted the advertiser's response.

Is the material advertising?

The Panel noted the definition of advertising in the Code:

> *"(a) any advertising, marketing communication or material which is published or broadcast using any Medium or any activity which is undertaken by, or on behalf of an advertiser or marketer,*
>
> - *over which the advertiser or marketer has a reasonable degree of control, and*
> - *that draws the attention of the public in a manner calculated to promote or oppose directly or indirectly a product, service, person, organisation or line of conduct,*
>
> *(b) but does not include:*
>
> - *labels or packaging for products*
> - *corporate reports including corporate public affairs messages in press releases and other media statements, annual reports, statements on matters of public policy and the like*
> - *in the case of broadcast media, any material which promotes a program or programs to be broadcast on that same channel, station or network."*

The Panel noted the advertiser's response that the material is a statement of public policy and does not meet the definition of advertising.

The Panel considered that the material was part of a series of paid advertisements in local print and digital news aimed to draw the attention of the public in a manner calculated to promote the organisation. The Panel considered that such statements if

published in a media release or on the advertiser's website may constitute a statement of public policy, but when part of a paid media campaign this material does meet the definition of advertising under the Code.

Does the advertisement make an Environmental Claim?

The Panel noted the Environmental Code provides the following definition:

> *"Environment Claim means any message or representation (including text, images, graphic, audio or symbolic representation) that gives the impression that an industry, business, product or service:*
> *a. has a neutral or positive impact on the environment*
> *b. is less harmful for the environment than alternatives, or*
> *c. has specific environmental benefits."*

The Panel noted the complainant had identified the following environmental claims in the advertisement:

- Mining has occurred in the relevant area without any negative impact on Perth's drinking water quality
- Mining will continue to operate in a way that does not negatively impact Perth's drinking water quality.

The Panel noted the advertiser's response that drinking water supply is an undertaking involving manpower and infrastructure, and would not fit into the ordinary meaning of the term 'environment'.

The Panel considered that water is a natural resource and even when captured in manmade infrastructure, most members of the community would consider water sources to be a part of the environment.

The Panel considered that the advertisement's claim that Alcoa has operated without negatively impacting Perth's public drinking water supply is a claim that the business has a neutral impact on the environment.

The Panel considered that the advertisement's statements that:

- they have stopped clearing within 1km of drinking water reservoirs
- they will meet all necessary water protection measures
- they have enhanced drainage and monitoring systems and are committed to catchment-wide risk management
- they are demonstrating their confidence in this area by providing $100 million guarantee

combine to form an overall claim that Alcoa has has taken reasonable steps to ensure that they will not impair drinking water supplies in the future. The Panel considered that this is an indication of the business having a neutral impact on the environment.

Section 1: Environmental Claims in Advertising must:

a. Be truthful and factual. The overall impression created by the advertisement including the Environmental Claim should not be false or inaccurate.

b. Not be or likely to be misleading or deceptive to the Target Consumer.

The Panel noted that the Practice Note for the Environmental Code says:

> *"It is not intended that legal tests be applied to determine whether advertisements are misleading or deceptive, or likely to mislead or deceive, in the areas of concern in this Code.*
>
> *Instead, consideration will be given as to whether the Target consumer would likely be misled or deceived by the Advertising.*
>
> *Any Environmental Claim should be accurate, true and factually correct.*
>
> *Even claims that are factually correct can sometimes still mislead consumers. Advertisers should consider the overall impression created by the claim and within the overall context of the Advertising, including through use of visual and audio elements. Advertising can be found in breach of this provision if the overall impression is false, inaccurate, misleading or deceptive even if each individual claim can be substantiated."*

The Panel noted that this advertisement appeared in a WA newspaper and considered that the target consumer would be adults living in West Australia who may have some understanding of the environmental impacts of mining, but who were not experts and who would not have an in-depth understanding of this area.

The Panel noted the complainant's concern that the environmental claims are misleading as there is some evidence from the Water Corporation of past and future risk to the water supply from the mining operations.

The Panel noted the advertiser's response that monitoring by the Department of Water and Environment Regulation has no record of Perth's drinking water being negatively impacted. The Panel further noted the advertiser's response that their advertisement does not say there is no risk, rather that steps are in place to manage the risks and protect the drinking water supply.

In relation to the claim about historic impact the Perth water supply, the Panel considered that if contamination had occurred there would be a public record. The

Panel considered that there is no evidence that the Alcoa mining operations had impacted the Perth water supply, and considered that this statement was unlikely to mislead or deceive consumers.

In relation to the claim that Alcoa has taken reasonable steps to ensure they will not impair drinking water supplies in the future, the Panel considered that the target consumer would likely understand that while there are risks to water supply, the advertiser has risk management strategies in place and clear plan to protect the water supply.

Overall, the Panel considered that the environmental claims were truthful and factual and were not likely to be misleading or deceptive to the target consumer.

Section 1 conclusion

The Panel concluded that the advertisement did not breach Section 1 of the Environmental Code.

Section 2: Environmental Claims in Advertising must be supported by evidence

The Panel noted that the Practice Note for the Environmental Code says:

> *"Advertisers should:*
>
> - *have reasonable grounds for making an Environmental Claim, based on evidence held at the time the claim is made*
>
> *Supporting evidence*
> *Environmental Claims in Advertising must be substantiated and verifiable.*
>
> *Advertisers must be able to support claims at the time the claim is made but are not necessarily required to include that supporting information in the advertisement unless it is required to make the claim true. Additional information provided must be truthful and not misleading. Supporting information held by advertisers at the time a claim is made must include sufficient detail to allow evaluation of a claim by the Target Consumer."*

The Panel considered that the claims made in the advertisement relating to the past neutral impact on Perth's drinking water supply had been supported by evidence from Department of Water and Environment Regulation and the lack of evidence to the contrary.

In relation to the claim that Alcoa has taken reasonable steps to ensure they will not impair drinking water supplies in the future, the Panel considered that the advertiser

has a reasonable grounds to make this statement, based on the risk-management strategies detailed in both the advertisement and their response.

Section 2 conclusion

The Panel concluded that the advertisement did not breach Section 2 of the Environmental Code.

Section 3: Environmental Claims in Advertising must:

- **Use clear language, having regard to the Target Consumer**
- **Be specific – broad, vague or unqualified claims should be avoided**
- **Include important limitations, conditions or qualifications in a way that is clear to the Target Consumer**

The Panel noted that the Practice Note for the Environmental Code says:

> *"Clear language*
> *Scientific terminology or references should be relevant and accurate. They should be used in a way that can be readily understood by the Target Consumer, including through further information provided to explain the terminology (for example through website links, QR codes and other available means).*
>
> *Be specific – avoid broad, vague or unqualified claims*
> *Advertisers should be specific when making Environmental Claims and it should be clear if the Environmental Claim refers to an entire or part of a product, component, package, service or company's business operations."*

For the reasons described in sections 1 and 2 above, the Panel considered that the advertisement is clear in communicating that there has been no previous impact to Perth's drinking supply in a manner which would be understood by the target consumer.

The Panel further considered that the future claims relating to Perth's drinking water supply were clearly communicated with specific references to risk-management processes, and would be understood by the target consumer to be a claim that they have taken reasonable steps to ensure that they will not impair drinking water rather than a claim that there is no risk at all.

Section 3 conclusion

The Panel concluded that the advertisement did not breach Section 3 of the Environmental Code.

Section 4: Environmental Claims in Advertising must:

- **Be about a genuine benefit to the environment**
- **Not overstate the environmental benefit**

The Panel considered that the Claims being made by the advertiser was of neutral impact on the environment, and there were no claims made relating to an environmental benefit.

Section 4 conclusion

The Panel concluded that the advertisement did not breach Section 4 of the Environmental Code.

Section 5: Environmental Claims in Advertising about future environmental objectives must be based on reasonable grounds at the time the claim is made.

The Panel noted that the Practice Note for the Environmental Code says:

> *"Environmental Claims relating to aspirational targets or environmental goals should only be made if the advertiser has reasonable grounds at the time the claim is made. Reasonable grounds may include verifiable data, clear plans and milestones that outline how the target or goals will be met."*

The Panel considered that the advertiser has a reasonable grounds for the future claim, based on the risk-management strategies detailed in both the advertisement and their response.

Section 5 conclusion

The Panel concluded that the advertisement did not breach Section 5 of the Environmental Code.

Conclusion

Finding that the advertisement did not breach the Environmental Code the Panel dismissed the complaint.